

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF THE)	
OPERATING CAPACITY OF MARTIN)	CASE NO.
COUNTY WATER DISTRICT PURSUANT)	2016-00142
TO KRS 278.280)	

ORDER

This proceeding was initiated to investigate Martin County Water District's (Martin District) inability to resolve long-standing managerial and operational deficiencies. In a separate proceeding, Case No. 2018-00017,¹ the Commission ordered, among other things, that Martin District enter into a third-party management contract with Alliance Water Resources, Inc. (Alliance). The management contract was executed and Alliance assumed responsibility for managing and operating Martin District on January 1, 2020.

Based upon a review of the case record in this proceeding and in Case No. 2018- 00017, the Commission finds that a formal hearing should be conducted at the Commission's offices on April 8, 2020, for the purpose of accepting testimony from Alliance assessing Martin District's managerial and operational status as of the date that Alliance took over management and as of the date of the hearing, as well as Alliance's plans for the future management and operation of Martin District. Alliance's testimony should address internal operations and governance, the physical condition of the water

¹ Case No. 2018-00017, *Electronic Application of Martin County Water District for an Alternative Rate Adjustment* (Ky. PSC Nov. 22, 2019).

system infrastructure, water loss, unmetered customers, first quarter financial results, the status of accounts payable, and the status of the Debt Service Surcharge.

The Commission further finds that testimony should be proffered by Alliance President, Tim Geraghty; Division Manager, Craig Miller; and Director of Operations, Tony Sneed. If Alliance identifies additional personnel with information regarding the issues relevant to this hearing, Alliance should file notice of additional witnesses no later than five days prior to the hearing. The Commission also finds that Martin District Commissioners Jimmy Don Kerr and John Hensley should be present at the hearing and available to testify if called by the Commission.

The Commission, on its own motion, HEREBY ORDERS that:

1. A hearing in this matter shall be held on Wednesday, April 8, 2020, at 9 a.m. Eastern Daylight Time, in the Richard Raff Hearing Room (Hearing Room 1) at the offices of the Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky.

2. Alliance President, Tim Geraghty; Division Manager, Craig Miller; and Director of Operations, Tony Sneed, shall appear at the April 8, 2020 hearing for the purpose of presenting evidence on the status of Martin District's managerial and operational deficiencies, including internal operations and governance, the physical condition of the water system infrastructure, water loss, unmetered customers, first quarter financial results, the status of accounts payable, and the status of the Debt Service Surcharge.

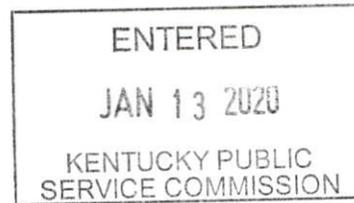
3. Martin District Commissioners, Jimmy Don Kerr and John Hensley, shall be present at the April 8, 2020 hearing and available to be called to testify.

4. Martin District shall give notice of the hearing in compliance with 807 KAR 5:001, Section 9(2)(b). In addition, the notice of hearing shall include the following statement: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov." At the time the notice is mailed or publication is requested, Martin District shall forward a duplicate of the notice and request to the Commission.

5. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video transcript shall be made of the hearing.

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By the Commission



ATTEST:


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